

ALLYSON K. STURGEON

DIRECT DIAL 502-560-4228

DIRECT FAX 502-627-8728

asturgeon@ogdenlaw.com

1700 PNC PLAZA
500 WEST JEFFERSON STREET
LOUISVILLE, KENTUCKY 40202-2874
(502) 582-1601
FAX (502) 581-9564
www.ogdenlaw.com

December 28, 2004

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PUBLIC SERVICE
COMMISSION

Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

RE: Robert T. Gallagher v. Kentucky Utilities Company
Case No. 2004-00451

Dear Ms. O'Donnell:

Enclosed please find and accept for filing the original and ten (10) copies Kentucky Utilities Company's Answer in the above-referenced matter. Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copies and return them to me in the enclosed self-addressed stamped envelope.

Should you have any questions or need any additional information, please contact me at your convenience.

Yours very truly,

Allyson K. Sturgeon

AKS/ec

Enclosures

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ROBERT T. GALLAGHER)
)
 COMPLAINANT)
)
 vs.)
)
 KENTUCKY UTILITIES)
 COMPANY)
)
 DEFENDANT)

CASE NO. 2004-00451

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ANSWER OF KENTUCKY UTILITIES COMPANY

In accordance with the Kentucky Public Service Commission's ("Commission") Order of December 22, 2004, in the above-captioned proceeding, Kentucky Utilities Company ("KU") respectfully submits this Answer to the Complaint of Robert T. Gallagher ("Mr. Gallagher") filed on November 15, 2004. In support of its Answer, and in response to the specific averments contained in Mr. Gallagher's Complaint, KU states as follows:

1. KU admits the allegations contained in paragraphs (a) and (b) of the Complaint.
2. With respect to the allegations contained in paragraph (c) of the Complaint concerning electric service to the address at 121 Johnston Blvd, KU states that Original Sheet No. 87 of KU's electric tariff provides that "deposits will be required from all customers not meeting satisfactory credit and payment criteria." Further, KU's electric tariff, at Original Sheet No. 87, expressly states that residential customers will pay a deposit in the amount of \$115.00. On September 7, 2004, Mr. Gallagher's account was disconnected for nonpayment. Consequently, Mr. Gallagher has not maintained a satisfactory payment history, and therefore, a deposit is appropriate. Because Mr. Gallagher only had a \$50.00 deposit on his account, an

additional \$65 deposit was necessary. Pursuant to KRS 278.160, KU is prohibited from charging any person “a greater or less compensation for any service rendered or to be rendered than that prescribed in its filed schedules.” As a result, Mr. Gallagher was properly assessed an additional \$65.00 charge for his deposit.

3. KU denies all allegations in the Complaint which are not expressly admitted in the foregoing paragraphs of this Answer.

FIRST AFFIRMATIVE DEFENSE

The Complainant fails to set forth any claim upon which relief can be granted by this Commission and, therefore, should be dismissed.

SECOND AFFIRMATIVE DEFENSE

Complainant has failed to set forth a *prima facie* case that KU has violated its tariff or any Commission statute or regulation, and the Complaint should be dismissed for that reason.

WHEREFORE, for all of the reasons set forth above, Kentucky Utilities Company respectfully requests:

- (1) that the Complaint herein be dismissed without further action being taken by the Commission;
- (2) that this matter be closed on the Commission’s docket; and
- (3) that KU be afforded any and all other relief to which it may be entitled.

Dated: December 28, 2004

Respectfully submitted,



Kendrick R. Riggs
Allyson K. Sturgeon
Ogden Newell & Welch PLLC
1700 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
Telephone: (502) 582-1601

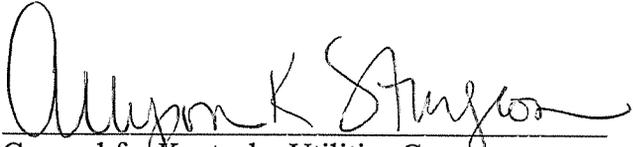
Elizabeth L. Cocanougher
Senior Regulatory Counsel
Louisville Gas and Electric Company
220 West Main Street
Post Office Box 32010
Louisville, Kentucky 40232
Telephone: (502) 627-4850

Counsel for Kentucky Utilities Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Answer was served on the following persons on the 28th day of December 2004, U.S. mail, postage prepaid:

Robert T. Gallagher
121 Johnston Boulevard
Lexington, Kentucky 40503


Counsel for Kentucky Utilities Company